

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1444  
ANSWERED ON:04.08.2006  
NABARD GUIDELINES FOR FARMERS  
Barad Shri Jashubhai Dhanabhai

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the National Bank for Agriculture and Rural Development proposes to introduce the new guidelines which will ensure increased and quick outcome from the banks to the farming community to minimize assistance ;
- (b) if so, the details of the guidelines issued ;
- (c) whether all public and private sector banks have been urged to consider these guidelines; and
- (d) the extent to which it has been beneficial to farmers ?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) National Bank of Agriculture and Rural Development (NABARD) has initiated steps like-

• Simplification of loan applications/documents.

• Issuance of Kisan Credit Cards for meeting production, investment and consumption credit needs of farmers through a single window.

• Coverage of more number of farmers through group approach through the Self Help Groups 5 (SHG) Bank linkage programme, financing of Joint Liability Groups JLGs).

NABARD had issued guidelines to Commercial Banks, Cooperative Banks and Regional Rural Banks in this regard. RBI has also issued instructions to Public and Private Sector Commercial Banks to implement the guidelines. Banks have attempted to simplify the loan documentation procedures. Branch Managers have been given adequate powers for processing of loan applications quickly.

As on 31st March, 2006 a total of 590.93 lakh Kisan Credit Cards (KCCs) were issued by Cooperative Banks, Regional Rural Banks and Commercial Banks in the country benefiting a large number of farming community.

As on 31st March, 2006, 22.39 lakh SHGs were credit linked with formal banking system with a cumulative bank loan of Rs. 11397.55 crore. Further, as at the end of March 2006, the participating banks have promoted 854 JLGs and extended finance aggregating Rs. 12.40 crore to 850 JLGs.